

FINDING OF EMERGENCY

These regulations are being implemented on an emergency basis for the immediate preservation of the public peace, health and safety, or general welfare, within the meaning of Government Code Section 11346.1.

DESCRIPTION OF SPECIFIC FACTS WHICH CONSTITUTE THE EMERGENCY

1. The Legislature enacted the provisions of Senate Bill (SB) 1104, Chapter 229, Statutes of 2004, on an urgency basis and to take effect immediately. These emergency regulations will increase the program's focus on work by requiring that counties develop, and that non-exempt recipients sign, a welfare-to-work plan within 90 days of the time that the county grants them aid, or the date they are required to participate, or under some circumstances, after the completion of job search. Additionally, most non-exempt individuals must participate for a minimum average of 20 hours per week in specified core activities as part of their 32- or 35-hour per week participation requirement. These regulations also eliminate the current 18- or 24-month time limit on participation in specified welfare-to-work activities. This change permits recipients to continue to satisfy some or all of their required welfare-to-work hours of participation through these activities, if consistent with their welfare-to-work plans, during their entire time on aid.
2. The Legislature enacted the provisions of SB 68, Chapter 78, Statutes of 2005, on an urgency basis and to take effect immediately. These emergency regulations will incorporate the changes SB 68 made to the provisions originally enacted by SB 1104 in 2004, by providing greater flexibility to recipients who need to satisfy their core hour participation requirement in part through specified educational activities and/or mental health, substance abuse, or domestic abuse services.
3. Senate Bill 1104, Section 64.6, allows CDSS to implement applicable provisions of the law through All-County Letter (ACL) or similar instructions from the Director of CDSS. Initial information and instructions were provided to the counties in ACL 04-41, dated October 8, 2004. The implementation of this law through ACL is effective until July 1, 2006.
4. Although SB 68 was an urgency statute, it did not include a provision permitting CDSS to implement the relevant provisions by ACL, pending adoption of regulations.
5. Delay in the implementation of these regulations would conflict with the statutory directive that emergency regulations be adopted for the provisions of SB 1104. Relevant portions of Section 64.6 of SB 1104 read as follows:
 - (a) Notwithstanding the rulemaking provisions of the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, until emergency regulations are filed with the Secretary of State, the department may implement those sections of this act specified in subdivision (d) through all-county letters or similar instructions from the director. The department

shall adopt emergency regulations, as necessary to implement the specified provisions of this act, no later than July 1, 2005, unless notification of a delay is made to the Chair of the Joint Legislative Budget Committee prior to that date. Under no circumstances shall the adoption of emergency regulations be delayed, or the use of all-county letters or similar instructions be extended, beyond July 1, 2006.

- (b) The adoption of regulations implementing the applicable provisions of this act shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare. The emergency regulations authorized by this section shall be exempt from review by the Office of Administrative Law. The emergency regulations authorized by this section shall be submitted to the Office of Administrative law for filing with the Secretary of State and shall remain in effect for no more than 180 days, by which time the final regulations shall be adopted.

This language directs CDSS to adopt emergency regulations by July 1, 2006, implementing the statutory changes made by SB 1104. Since those statutory changes have been further amended by SB 68, the emergency regulations also must incorporate the SB 68 amendments.

- 6. Furthermore, the Department implemented SB 1104 through an all-county letter effective December 1, 2004. Delay in the implementation of the amendments made by SB 68 to the provisions of SB 1104 would reduce the ability of some recipients to satisfy core hour participation requirements with specified educational activities and/or necessary mental health, substance abuse, or domestic abuse services, thus jeopardizing their ability to become self-sufficient within the 60-month lifetime limit on the receipt of CalWORKs cash aid. SB 68 changes the "core hour" rules created by SB 1104. SB 68 would permit individuals who need to engage in such activities as family reunification services or activities required to keep their children enrolled in school (other activities), but who also must participate in mental health, substance abuse, or domestic abuse services, or in specified educational activities, to count those needed activities toward the core hour participation requirement when necessary. Approximately 4,600 individuals participate in "other activities" in any given month. Without the provisions of SB 68, none of these individuals would be allowed to count the specified education activities and/or mental health, substance abuse, or domestic abuse services toward their core hour participation requirement. Denying them the opportunity to combine activities, especially when the participant may be nearing the 60-month limit, after which the county is not able to serve them, may prevent the individual from receiving needed services before their CalWORKs aid is discontinued. As a result, these individuals may be less well prepared to achieve self-sufficiency.
- 7. Therefore, in order to preserve the public peace, health, safety, and general welfare of the State of California, these regulations are adopted on an emergency basis.

INFORMATIVE DIGEST

Senate Bill 1104, Chapter 229, Statutes of 2004, and SB 68, Chapter 78, Statutes of 2005 amends the CalWORKs Welfare-to-Work Program. The CalWORKs Welfare-to-Work program is the employment and training component of CalWORKs, California's version of the federal Temporary Assistance for Needy Families (TANF) Program.

Federal welfare reform enacted the TANF program through the Personal Responsibility and Work Opportunity Reconciliation Act in 1996 and limits cash aid to a family with an adult to a total of five years. The intent of the Welfare-to-Work program is to provide employment and training services to the maximum possible number of the adult CalWORKs population to assist them in achieving economic self-sufficiency within this time frame.

To further achieve this goal, the proposed regulations will enhance the program's "work first" approach and establish a universal engagement requirement that will engage families as soon as possible in services they need to become economically self-sufficient. Participation requirements are also a key component in obtaining the CalWORKs program goal. The proposed regulations will eliminate the 18- or 24-month time limit on participation in specified education and training activities and require adults to participate in at least 20 hours per week in core welfare-to-work activities that will provide them with the necessary training to obtain employment. The balance of their 32- or 35-hour per week participation requirement can be spent in other specified non-core activities that will aid recipients in obtaining employment.

Additionally, the proposed regulations will make other technical, conforming changes, such as renumbering sections and amending cross references as necessary.

COST ESTIMATE

1. Costs or savings to State Agencies: Net savings of \$0.4 million in Fiscal Year 2005-06 (a reduction of \$0.5 million from the savings included in the Budget Act of 2005). Due to the TANF Block Grant funding and State General Fund maintenance of effort requirements, the savings associated with this bill would be redirected to fund other CalWORKs Program Costs.
2. Costs to Local Agencies or School Districts: None.
3. Nondiscretionary Costs or Savings to Local Agencies: Net savings of \$3.6 million in Fiscal Year 2005-06 (a reduction of \$0.1 million from the savings included in the Budget Act of 2005).
4. Federal Funding to State Agencies: Net savings of \$9.3 million in Fiscal Year 2005-06 (a reduction of \$4.9 million from the savings included in the Budget Act of 2005). Due to the TANF Block Grant funding and State General Fund maintenance of effort requirements, the savings associated with this bill would be redirected to fund other CalWORKs Program Costs.

LOCAL MANDATE STATEMENT

These regulations do impose a mandate upon local agencies, but not upon school districts. The mandate is not required to be reimbursed pursuant to Part 7 (commencing with Section 17500) of Division 4 of the California Constitution because implementation of the regulations will, if anything, result in savings.

AUTHORITY AND REFERENCE CITATIONS

CDSS adopts these regulations under the authority granted in Sections 10553 and 10554 of the Welfare and Institutions Code. Subject regulations implement and make specific Sections 10531, 10532, 11320.1, 11322, 11322.6, 11322.8, 11322.9, 11324.6, 11325.21, .22, and .23, 11325, 11326, and 11454, Welfare and Institutions Code, SB 1104 (Chapter 229, Statutes of 2004), and SB 68 (Chapter 78, Statutes of 2005).